

## Table of Contents

### Public Utilities Commission

<i>Agency Profile</i> .....	1
Agency Expenditure Overview .....	4
Agency Financing by Fund .....	5
Agency Change Summary .....	6
<b><u>Additional Documents</u></b> .....	7
<i>Enacted Budget Changes</i> .....	7

<https://mn.gov/puc/>

### AT A GLANCE

With one of the smallest Commission staffs in the country, the MN Public Utilities Commission (PUC):

- Regulates the rates and services of three cornerstone industries in Minnesota's economy: electricity, natural gas and telephone utilities.
- Determines need for and location of large energy facilities.
- Manages an average of 900 utility filings annually.
- Responds to over 7,000 consumer complaints and inquiries annually.

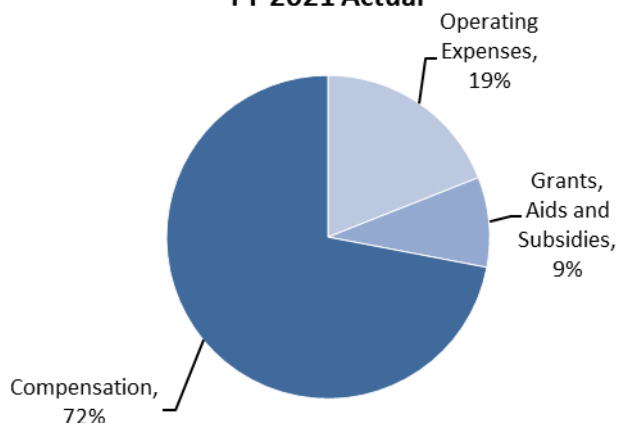
### PURPOSE

The Minnesota Public Utilities Commission's mission is to create and maintain a regulatory environment that ensures safe, reliable and efficient utility services at fair and reasonable rates. The Commission also reviews the need for and location of energy facilities, including wind and solar farms, natural gas facilities and other power plants, transmission lines, and oil pipelines.

Working in partnership with other state agencies, the Commission engages the public to ensure decisions are made based on a fully developed record, and in the public interest. This requires balancing the needs for reliable electric and gas service, affordable rates, community impacts, and environmental stewardship. When acting as a quasi-judicial body, Commission decisions are based on a set of guidelines or statutory criteria applied to the factual and legal record. Commission Orders are enforceable under the law.

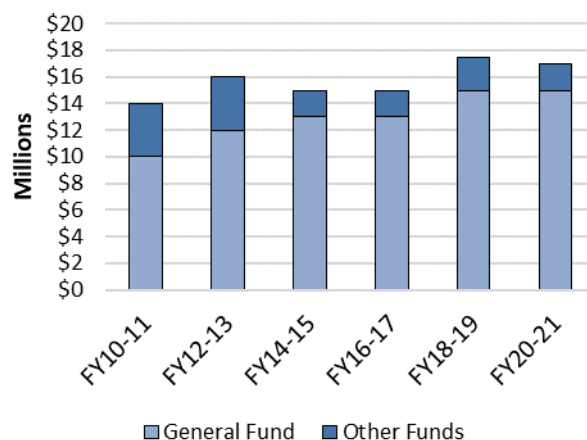
### BUDGET

**Spending by Program  
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

**Historical Spending**



Source: Consolidated Fund Statement

The Commission has a total annual General Fund budget of approximately \$8.314 Million. Nearly 100% of the agency's expenditures are recovered through special assessment authority (Minnesota Statutes, Sections 216B.62 and 237.295) and returned to the state General Fund. The agency also administers the Telephone Assistance Program from a special revenue fund. Reimbursement grants are provided to telephone companies who assist their eligible low-income customers with reduced rates.

## STRATEGIES

The Commission emphasizes several strategies to fulfill its mission. These include:

- Court-like, evidence-based decision-making process that ensures fairness and transparency, relying on ongoing participation by state agencies, regulated companies, the general public, and a diverse stakeholder base.
- Active engagement with local, regional, and national stakeholders and subject matter experts to anticipate conditions affecting provision of necessary services.
- Regulatory tools and processes to mitigate rate impacts.
- Public outreach and mediation services to assist and educate utility customers.
- Extensive use of technology to ensure transparency; e.g., all record documents publicly accessible through web site; social media; videoconferencing and webcast for all public meetings.
- Active engagement in regional and national forums affecting Minnesota's interests.

## RESULTS

The Commission's work implementing Minnesota laws and policies, with active engagement by industry, stakeholders, and the general public, have produced important results. These include:

- During the COVID-19 pandemic, utility customers were protected from service interruptions, and utilities were provided the tools to stimulate long-term economic growth and rate mitigation.
- The Commission investigated the practices of the regulated utilities during the 2021 Winter Storm Uri, and was one of the only states in the country to disallow full recovery of retail gas costs.
- Minnesota's overall natural gas rates were below the national average in 2019 (\$6.87/MMBTU MN vs \$8.05/MMBTU US) and 2020 (\$6.72 in MN vs \$7.96 US).<sup>1</sup>
- Minnesota's overall electric rates were below the national average- 2020 – 10.57 cents per kWh in MN 10.59 cents in US; 2021 – 11.12 cents per kWh in MN, 11.18 cents in US<sup>2</sup>
- Minnesota is a leader in generation from renewable energy. In 2021, renewables accounted for 29% of total in-state electricity net generation, coal fueled 26%, nuclear power supplied 24%, and natural gas contributed 21%.<sup>3</sup>
- Minnesota continues to lead in energy efficiency. Despite its winters, it ranks 20th nationally in residential per capita energy use, which is less per capital energy use than 9 other Northern Tier States.<sup>4</sup>
- 98.9% of Minnesota's residents have access to telephone service, compared to the national average voice penetration across the US at 97.2%.<sup>5</sup>
- Minnesota's state regulatory staff size remains well below states of comparable size, while its workload is equal to other states of comparable population size.
- Minnesota regulators' leadership in regional and national forums have enhanced Minnesota's stature among the states and protected its vital interests. To further advance Minnesota's interests, the PUC officially joined Southwest Power Pool (SPP), in addition to its ongoing participation in the Organization of MISO States.

<i><b>Type of Measure</b></i>	<i><b>Name of Measure</b></i>	<i><b>Previous</b></i>	<i><b>Current</b></i>	<i><b>Dates</b> *FY22-23 estimation on data to-date</i>
Quantity	Orders Issued by the Commission	572	732	FY 2020-21; FY 2022-23*
Quality	Percentage of consumer complaints resolved within 90 days	90%	97%	FY 2020-21; FY 2022-23*
Results	Percent of Commission Orders Issued within Statutory Deadlines	100%	100%	FY 2020-21; FY 2022-23*

---

Legal Authority: Minnesota Statutes, Chapters 216A, 216B, 216E, 216F, 216G and 237.

Results Notes:

1. American Gas Association, 201American Gas Association, January 2022  
<https://www.aga.org/research/data/prices/>
2. US DOE EIA, Electric Monthly, February 2022 <https://www.eia.gov/electricity/monthly/>
3. Minnesota State Energy Profile, U.S. Energy Information Administration  
<https://www.eia.gov/state/analysis.php?sid=MN>
4. Table C14. Total Energy Consumption Estimates per Capita by End-Use Sector, Ranked by State, 2018 U.S. Energy Administration  
[https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep\\_sum/html/rank\\_use\\_capita.html&sid=US](https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep_sum/html/rank_use_capita.html&sid=US)
5. [OEA Releases 2021 Universal Service Monitoring Report | Federal Communications Commission \(fcc.gov\)](#)

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24FY25		Enacted Budget FY24FY25	
<b><u>Expenditures by Fund</u></b>								
1000 - General	7,363	7,810	7,797	8,702	8,314	8,314	10,748	11,106
2000 - Restrict Misc Special Revenue	976	1,001	1,378	2,025	2,125	2,125	2,125	2,125
<b>Total</b>	<b>8,339</b>	<b>8,811</b>	<b>9,175</b>	<b>10,727</b>	<b>10,439</b>	<b>10,439</b>	<b>12,873</b>	<b>13,231</b>
Biennial Change			2,752		976		6,202	
Biennial % Change			16		5		31	
Enacted Budget Change from Base							5,226	
Enacted Budget % Change from Base							25	

## Public Utilities Commission

## Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Enacted Budget	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In		430		388				
Direct Appropriation	7,793	7,793	8,185	8,314	8,314	8,314	10,748	11,106
Transfers Out		200						
Cancellations		213						
Balance Forward Out	430		388					
Expenditures	7,363	7,810	7,797	8,702	8,314	8,314	10,748	11,106
Biennial Change in Expenditures				1,325		129		5,355
Biennial % Change in Expenditures				9		1		32
Enacted Budget Change from Base								5,226
Enacted Budget % Change from Base								31
2000 - Restrict Misc Special Revenue								
Balance Forward In	1,253	2,162	3,008	3,181	3,181	3,181	3,181	3,181
Receipts	1,875	1,841	1,551	2,025	2,125	2,125	2,125	2,125
Balance Forward Out	2,152	3,002	3,181	3,181	3,181	3,181	3,181	3,181
Expenditures	976	1,001	1,378	2,025	2,125	2,125	2,125	2,125
Biennial Change in Expenditures				1,427		847		847
Biennial % Change in Expenditures				72		25		25
Enacted Budget Change from Base								0
Enacted Budget % Change from Base								0

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
<b>FY2023 Appropriations</b>	<b>8,314</b>	<b>8,314</b>	<b>8,314</b>	<b>16,628</b>
<b>Forecast Base</b>	<b>8,314</b>	<b>8,314</b>	<b>8,314</b>	<b>16,628</b>
<b>Change Items</b>				
Maintain Current Service Levels		1,522	1,791	3,313
Community Solar Gardens		512	512	1,024
Dispute Resolution Utilities		236	229	465
Compensation for PUC Proceedings		32	32	64
Transportation Electrification Plan Proceedings			96	96
Energy Storage Rebates		68	68	136
Electric Vehicles Rebates Admin		64	64	128
<b>Total Enacted Budget</b>	<b>8,314</b>	<b>10,748</b>	<b>11,106</b>	<b>21,854</b>
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
<b>Planned Spending</b>	<b>2,025</b>	<b>2,125</b>	<b>2,125</b>	<b>4,250</b>
<b>Forecast Base</b>	<b>2,025</b>	<b>2,125</b>	<b>2,125</b>	<b>4,250</b>
<b>Total Enacted Budget</b>	<b>2,025</b>	<b>2,125</b>	<b>2,125</b>	<b>4,250</b>
<b>Revenue Change Summary</b>				
<b>Dedicated</b>				
<b>Fund: 2000 - Restrict Misc Special Revenue</b>				
<b>Forecast Revenues</b>	<b>2,025</b>	<b>2,125</b>	<b>2,125</b>	<b>4,250</b>
<b>Total Enacted Budget</b>	<b>2,025</b>	<b>2,125</b>	<b>2,125</b>	<b>4,250</b>
<b>Non-Dedicated</b>				
<b>Fund: 1000 - General</b>				
<b>Forecast Revenues</b>	<b>8,508</b>	<b>8,508</b>	<b>8,508</b>	<b>17,016</b>
<b>Change Items</b>				
Maintain Current Service Levels		1,522	1,791	3,313
Community Solar Gardens		512	512	1,024
Dispute Resolution Utilities		236	229	465
Compensation for PUC Proceedings		32	32	64
Transportation Electrification Plan Proceedings			96	96
Energy Storage Rebates		68	68	136
Electric Vehicles Rebates Admin		64	64	128
<b>Total Enacted Budget</b>	<b>8,508</b>	<b>10,942</b>	<b>11,300</b>	<b>22,242</b>

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
--	------	------	------	---------------------	------	------	---------------------

**Maintain Current Service Levels**

This provision provides additional operating funds to maintain the current level of service delivery at the Public Utilities Commission.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues	0	1,522	1,791	3,313	1,791	1,791	3,582
Expenditures	0	1,522	1,791	3,313	1,791	1,791	3,582

**Community Solar Gardens**

This provision provides funding for administrative fees incurred by the Public Utilities Commission associated with community solar gardens.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues	0	512	512	1,024	512	512	1,024
Expenditures	0	512	512	1,024	512	512	1,024

**Dispute Resolution Utilities**

This provision provides funding for administrative fees incurred by the Public Utilities Commission associated with dispute resolution.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues	0	236	229	465	229	229	458
Expenditures	0	236	229	465	229	229	458

**Compensation for PUC Proceedings**

This provision provides funding for administrative fees incurred by the Public Utilities Commission associated with compensation for PUC proceedings.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues	0	32	32	64	32	32	64
Expenditures	0	32	32	64	32	32	64

**Transportation Electrification Plan Proceedings**

This provision provides funding for administrative fees incurred by the Public Utilities Commission associated with transportation electrification plans.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues	0	0	96	96	96	96	192
Expenditures	0	0	96	96	96	96	192

**Energy Storage Rebates**

This provision provides funding for administrative fees incurred by the Public Utilities Commission associated with energy storage rebates.

<b>1000 - General Fund Cost (Savings)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Revenues	0	68	68	136	112	68	180

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25	FY26	FY27	Biennium 2026-27
Expenditures	0	68	68	136	112	68	180

Electric Vehicles Rebates Admin

This provision funds administrative fees incurred by the Public Utilities Commission associated with electric vehicle rebates.

1000 - General Fund Cost (Savings)	0	0	0	0	0	0	0
Revenues	0	64	64	128	64	64	128
Expenditures	0	64	64	128	64	64	128